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# ANNUAL

# REPORT

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FISCAL 1980



**DIVISION OF  
WORKERS'  
COMPENSATION**



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## PREFACE

Since 1915, the Industrial Accident Board, and its successor agency, the Division of Workers' Compensation, has served Montana employers and employees through administration of the Workers' Compensation Act and various industrial safety laws. Many changes in the law have occurred since 1915, and the law now affects nearly every business operator and worker in Montana. Additional administrative duties were assigned to the Division when the 1977 legislative session passed the Crime Victims' Compensation Act and created the Uninsured Employers' Fund.

This 66th annual publication has been prepared to provide a comprehensive report of the activities of the Division for the fiscal year ended June 30, 1980, and is presented for your review.

If you would like further information concerning this report or other aspects of the workers' compensation law, please contact the Division of Workers' Compensation, 815 Front Street, Helena, Montana 59604.

LAURY M. LEWIS  
Administrator

## SECTION I DIVISION ADMINISTRATION

The Division was created to administer several laws relating to the industrial operations in this state. These include the administration of industrial safety and health laws, as well as the payment of benefits to workers injured in the course and scope of employment. The laws set forth below are currently under the administrative jurisdiction of the Division, with reference made to the title and chapter numbers in the Montana Code Annotated:

### Industrial Safety and Health

1. Occupational Safety Act, Title 50, Chapter 71
2. Safety in Mines Other Than Coal Mines, Title 50, Chapter 72
3. Safety in Coal Mines, Title 50, Chapter 73
4. Boilers and Steam Engines, Title 50, Chapter 74
5. Hoisting Engines, Title 50, Chapter 76

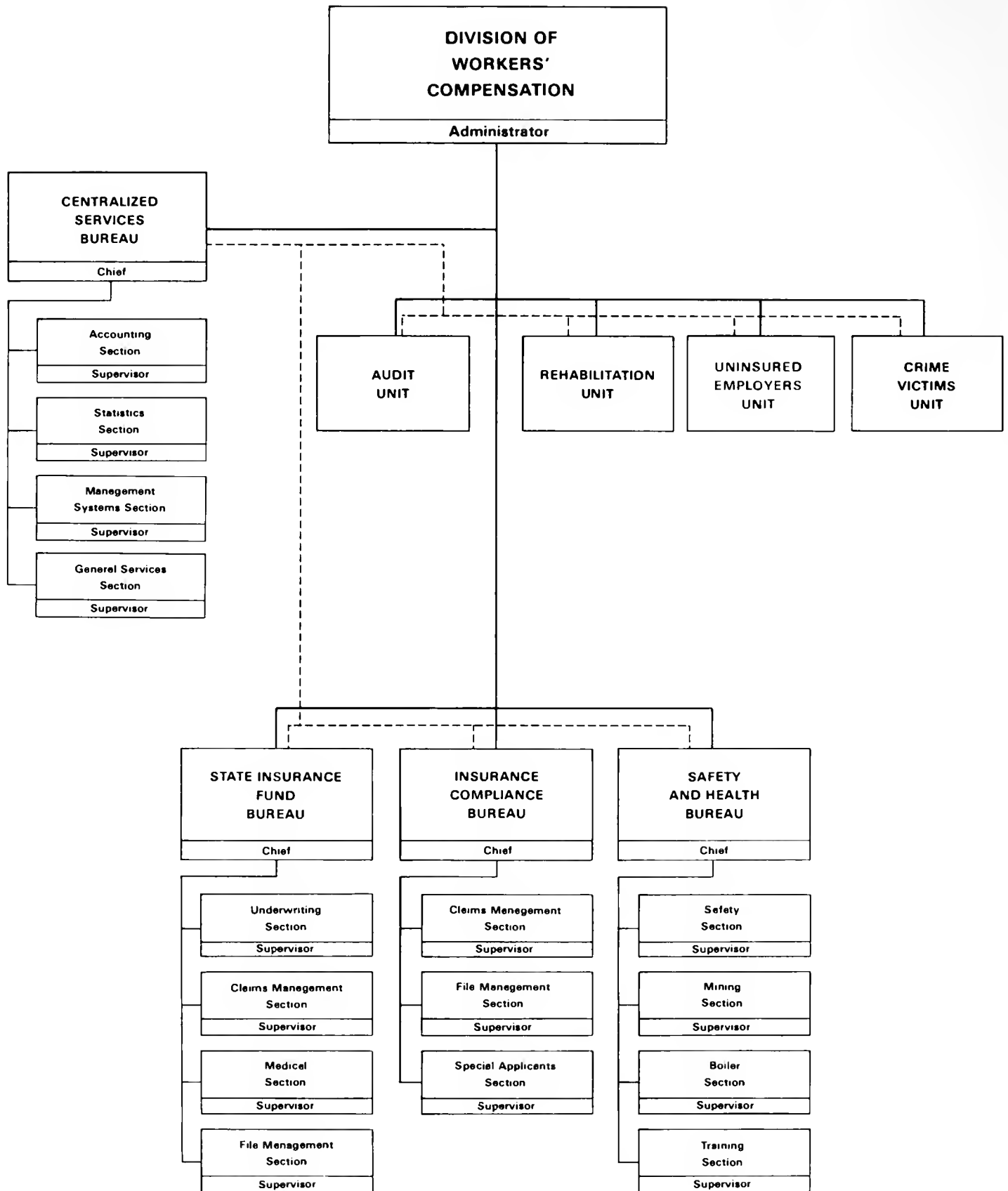
### Compensation Systems

1. Volunteer Firefighters' Compensation Act, Title 19, Chapter 12
2. Silicosis Benefits Law, Title 39, Chapter 73
3. Crime Victims' Compensation Act, Title 53, Chapter 9
4. Workers' Compensation Act, Title 39, Chapter 71
5. Occupational Disease Act, Title 39, Chapter 72
6. Referral of Disabled Workers for Vocational Rehabilitation, Title 39, Chapter 71

With the assistance of immediate supervisory personnel, the Division Administrator provides overall management to the Division.

The agency is divided into four major bureaus which provide the following services: Centralized Services gives needed overall support services to all bureaus and units; the State Compensation Insurance Fund operates a state administered insurance system which allows employers an option for obtaining workers' compensation insurance in Montana; Insurance Compliance reviews the payment of workers' compensation benefits by self-insured employers and private insurance carriers; and Safety and Health administers the occupational safety and health laws.

# ORGANIZATION CHART



## MAJOR ACTIVITIES DURING FISCAL YEAR 1979-1980

### Administrative Program

The first steps toward a major enhancement of the Division's Management Information System were taken. Aimed at improvement in claims services, this project should, when completed, expedite payment of benefits and provide for efficient information processing.

Program personnel participated in small business clinics and met with over 1,600 Montana employers in 11 Montana cities. The Annual Claims Seminar was conducted for representatives of the insurance industry, attorneys, physicians, and other interested parties. Additionally, over 1,000 Montana employers were contacted to explain the OSHA federal recordkeeping requirements.

Our Rehabilitation Unit served 482 injured workers, and personnel of the Audit Unit reviewed 984 employer accounts.

### State Insurance Fund Program

As of June 30, 1980, 20,838 employers received coverage through the State Fund, which is approximately a 3% increase over the previous year.

A premium volume discount system resulted in direct savings to policyholders of over \$1,000,000. Premium rates were reduced, resulting in direct savings to policyholders of about \$650,000. The experience rating system allowed a savings of \$1,582,459 to 3,162 firms with good safety records, and generated additional premium of \$1,804,289 from 1,063 firms with poor safety records. Compensation and medical benefits paid increased again this year. Nearly 21 million dollars was distributed to injured workers.

In order to ensure consistent and equitable treatment of firms qualified for experience modification rating, a new method of reporting data to the National Council on Compensation Insurance was developed and will be fully implemented in the spring of 1981. This new process will allow State Fund experience to be merged with private carrier experience in determining eligibility for and calculation of an experience modification factor.

### Insurance Compliance Program

Personnel in this program processed over 17,000 new accidents reported to insurance carriers and self-insurers, and reviewed and monitored the payment of benefits of injured workers resulting from the submission of 3,000 new claims.

### Safety and Health Program

Activities under this program included 1,095 safety and health inspections; 190 training courses in first aid, safety, cardiopulmonary resuscitation, and defensive driving; 794 boiler inspections and investigations; and over 325 inspections and investigations in the mining industry.

## COMPARATIVE SUMMARY OF PLANS I, II, AND III

The Montana Workers' Compensation and Occupational Disease Acts allow employers to obtain the required insurance coverage by one of three methods. These methods include: (1) self-insurance under Compensation Plan No. I, where firms with proven financial ability pay directly to the injured workers; (2) coverage with a private insurance company licensed to write workers' compensation insurance in Montana, known as Compensation Plan No. II; and (3) coverage with the State Compensation Insurance Fund, a state operated insurance program, known as Compensation Plan No. III.

The following table compares the overall activity of the three plans for three fiscal years:

	<u>1977 - 1978</u>	<u>1978 - 1979</u>	<u>1979 - 1980</u>
<u>Plan I — Self-Insurance</u>			
Number of employers enrolled	65	67	69
*Gross annual payroll	\$299,878,617	\$379,758,128	\$449,310,157
Number of work injuries reported	3,430	3,530	4,061
Number of claims filed	943	939	1,003
Occupational disease cases reported per federal standards	17	12	29
Compensation benefits paid	\$2,432,744	\$2,486,740	\$3,278,817
Medical & burial benefits paid	\$1,119,581	\$1,262,853	\$1,428,472
Subsequent injury fund payments	\$0	\$0	\$2,000
Subsequent injury assessments	\$44,325	\$0	\$0
Uninsured employers assessments	\$0	\$2,000	\$5,000
 <u>Plan II — Private Carriers</u>			
Number of employers enrolled	9,824	9,604	9,472
*Gross annual premium	\$27,371,714	\$27,456,947	\$25,912,544
Number of work injuries reported	15,053	14,918	13,300
Number of claims filed	2,651	2,332	2,006
Occupational disease cases reported per federal standards	105	84	92
Compensation benefits paid	\$8,094,026	\$8,738,712	\$10,137,449
Medical & burial benefits paid	\$3,789,400	\$3,758,113	\$4,303,102
Subsequent injury fund payments	\$4,500	\$1,000	\$0
Subsequent injury assessments	\$145,027	\$0	\$0
Uninsured employers assessments	\$0	\$11,000	\$21,000
 <u>Plan III — State Fund</u>			
Number of employers enrolled	18,735	20,189	20,838
Gross annual premium	\$22,185,099	\$22,809,346	\$26,453,202
Number of work injuries reported	13,577	15,847	17,375
Number of claims filed	2,234	2,775	3,039
Occupational disease cases reported per federal standards	65	83	122
Compensation benefits paid	\$9,062,434	\$12,073,818	\$14,592,039
Medical & burial benefits paid	\$4,062,421	\$4,792,134	\$6,355,624
Subsequent injury fund payments	\$7,000	\$1,000	\$0
Subsequent injury assessments	\$123,660	\$0	\$0
Uninsured employers assessments	\$0	\$19,000	\$21,000

\*Figures shown on calendar year basis.



## SECTION II FINANCIAL REPORTS

Financial statements in this section show the activity and the condition of Division funds for the fiscal year ended June 30, 1980. The section includes five types of statements, i.e., a statement of appropriations, a balance sheet, a statement of changes in fund balance, a statement of receipts, and a program cost statement. These statements report the financial activity for each fund and accounting entity within the fund administered by the Division. However, because of the size of the State Compensation Insurance Fund, its financial activity is shown in Section III.

The state's accounting system provides nine funds, of which the Division uses five. The General Fund provides moneys to cover costs of the silicosis and social security offset benefit programs. The Earmarked Revenue Fund accounts for moneys generated by the Division, chiefly from assessments levied against insurers and used to defray the cost of operations. The Federal and Private Revenue Fund accounts for operational moneys received from the federal government. The Division has two sources of revenue in this area, one from an OSHA statistics grant with the Bureau of Labor Statistics, and the other from a coal mine safety grant with the U.S. Department of Labor, Mine Safety and Health Administration. The Federal and Private Grant Clearance Fund accounts for receipts until proper disposition is determined. The Agency Fund consists of those moneys deposited with the Division as custodian or agent. Included in this fund are the Volunteer Firemen, Subsequent Injury, Uninsured Employers', and Crime Victims' accounts.

The Statement of Appropriation Activity summarizes the funds appropriated for the fiscal year ended June 30, 1980, and the amounts expended or accrued from each appropriation.

### STATEMENT OF APPROPRIATION ACTIVITY FISCAL YEAR ENDED JUNE 30, 1980

<u>Fund &amp; Account</u>	<u>Amount Appropriated</u>	<u>Expended or Accrued</u>		
		<u>Operation</u>	<u>Benefits</u>	<u>Balance</u>
General Fund	\$ 948,957	\$ 9,652	\$876,603	\$ 62,702
Earmarked Revenue Fund				
DWC Administration	3,648,902	3,457,369	0	191,533
Federal & Private Revenue Fund				
DWC Coal Mine Safety	29,226	24,124	0	5,102
OSHA Statistical Survey	52,524	46,920	0	5,604
DWC CETA Program	6,012	3,730	0	2,282
TOTALS	<u>\$4,685,621</u>	<u>\$3,541,795</u>	<u>\$876,603</u>	<u>\$267,223</u>

BALANCE SHEET — JUNE 30, 1980

		Earmarked Revenue Fund	Federal & Private Revenue Fund	
	General Fund	Division Adminis- tration	Mine Safety	OSHA Statis- tics
<b>ASSETS</b>				
Revolving Fund Cash	\$ 1,000	\$ 4,000	\$ 0	\$ 0
Cash in Treasury	0	114,426	2,166	6,678
Federal Cost Reimbursement Receivable	0	11,163	0	0
Accounts Receivable	0	0	0	0
Due from Federal Government	0	0	3,000	516
Inter-Entity Loans Receivable	0	4,000	0	0
Federal Securities — Book Value	0	0	0	0
Federal Securities — Cost	0	0	0	0
Other Investments — Par Value	0	0	0	0
Unamortized Premiums	0	0	0	0
Short Term Investment Pool	0	0	0	0
STIP Interest Purchased	0	0	0	0
Property Held in Trust	0	0	0	0
Expense Advances to Employees	0	16,783	0	0
Other Prepayments	19,616	10,720	0	0
Encumbered Appropriations	4,047	0	0	0
<b>TOTAL ASSETS</b>	<u>\$24,663</u>	<u>\$161,092</u>	<u>\$5,166</u>	<u>\$7,194</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Entity Loans Payable	0	0	4,000	0
Accrued Support Expenditures	5,047	278,729	1,301	1,748
Reserve for Due Froms	0	0	3,000	516
Reserve for Other Prepayments	19,616	0	0	0
Contingent Liabilities	0	0	0	0
Allowance for Contingent Liabilities	0	0	0	0
Unaccumulated Bond Discounts	0	0	0	0
Bonds Held in Trust	0	0	0	0
Active Cancelled Warrants Clearing	0	0	0	0
Receipts Collected in Advance	0	2,177	0	0
Uncleared Collections	0	0	0	0
<b>FUND BALANCE</b>	<u>0</u>	<u>(119,814)</u>	<u>(3,135)</u>	<u>4,930</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$24,663</u>	<u>\$161,092</u>	<u>\$5,166</u>	<u>\$7,194</u>

<sup>1</sup>Past experience indicates that approximately 45 percent of this figure will be written off as a bad debt expense.

Federal &  
Private  
Revenue  
Fund

Agency Fund

State Agency CETA-PSE Contract	Federal & Private Grant Clearance Fund	Insurance Liquida- tion	Volunteer Firemen	Subse- quent Injury	Uninsured Employers	Crime Victims' Comp.
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
599	7	0	322	202	13,724	11,066
0	0	0	0	0	0	0
0	0	0	0	0	233,415 <sup>1</sup>	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	350,000	150,000	0	200,000
0	0	0	0	0	69,549	69,549
0	0	0	1,830,000	1,881,000	0	0
0	0	0	2,501	0	0	0
0	0	0	84,361	103,383	223,875	181,347
0	0	0	251	138	552	291
0	0	9,370,000	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>599</u>	<u>\$ 7</u>	<u>\$9,370,000</u>	<u>\$2,267,435</u>	<u>\$2,134,723</u>	<u>\$541,115</u>	<u>\$462,253</u>
\$ 0	(\$4,000)	\$ 0	\$ 150	\$ 0	\$ 22	\$ 0
0	4,000	0	0	0	0	0
632	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	84,901	64,089
0	0	0	0	0	(84,901)	(64,089)
0	0	0	6,030	6,501	0	315
0	0	9,370,000	0	0	0	0
0	0	0	0	0	0	1,812
0	0	0	0	0	0	0
0	7	0	0	0	0	0
<u>(33)</u>	<u>0</u>	<u>0</u>	<u>2,261,255</u>	<u>2,128,222</u>	<u>541,093</u>	<u>460,126</u>
<u>599</u>	<u>\$ 7</u>	<u>\$9,370,000</u>	<u>\$2,267,435</u>	<u>\$2,134,723</u>	<u>\$541,115</u>	<u>\$462,253</u>

STATEMENT OF CHANGES IN FUND BALANCE  
FISCAL YEAR ENDED JUNE 30, 1980

	<u>General Fund</u>	<u>Earmarked Revenue Fund</u>
		<u>Division Adminis- tration</u>
FUND BALANCE, JULY 1, 1979	\$ 0	\$ (16,683)
<u>ADDITIONS</u>		
Legislative Appropriations	\$948,957	\$ 0
Receipts:		
Licenses & Permits	0	31,754
Service Fees	0	966,449
Fines	0	0
Income Collections & Transfers	0	2,292,065
Investment Earnings	0	0
Fiduciary & Trust	0	0
Grants	0	57,252
TOTAL ADDITIONS AND FUND BALANCE	<u>\$948,957</u>	<u>\$3,330,837</u>
<u>DEDUCTIONS</u>		
Support Expenditures	\$ 9,652	\$3,457,369
Withdrawals	0	0
Benefits	876,603	0
Reversions	56,280*	0
TOTAL DEDUCTIONS	<u>\$942,535</u>	<u>\$3,457,369</u>
<u>PRIOR YEAR ADJUSTMENTS</u>		
Revenue	\$ 0	\$ 0
Expenditures	6,422	(6,718)
TOTAL ADJUSTMENTS	<u>\$ (6,422)</u>	<u>\$ 6,718</u>
FUND BALANCE, JUNE 30, 1980	<u><u>\$ 0</u></u>	<u><u>\$ (119,814)</u></u>

The Division administers various restricted accounting entities within each fund. Generally, the names of the accounts specify the purpose for which the account is used.

This statement illustrates the year's receipt and disbursement activity upon the beginning fund balance for each of the accounting entities.

The 46th Legislature passed legislation effective July 1, 1979, which transferred the Crime Victims' Compensation Account to the Agency Fund. Therefore, this is the first year it is being reported in the Agency Fund.

\*Expenses pertaining to the fiscal year that were not accrued at year end may be paid from the reversions.

	Federal & Private Revenue Fund		Agency Fund			
Mine Safety	State Agency CETA-PSE Contract	OSHA Statist- tics	Volunteer Firemen	Subse- quent Injury	Uninsured Employers	Crime Victims' Comp.
<u>\$ 8,005</u>	<u>\$ 0</u>	<u>\$ 531</u>	<u>\$2,077,406</u>	<u>\$1,959,415</u>	<u>\$318,431</u>	<u>\$336,187</u>
 \$ 0	 \$ 0	 \$ 0	 \$ 0	 \$ 0	 \$ 0	 \$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	419,104	269,038
0	0	0	0	0	0	0
0	0	0	174,904	172,498	14,553	22,339
0	0	0	243,419	2,000	207,237	2,334
<u>13,000</u>	<u>3,697</u>	<u>51,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>\$21,005</u>	 <u>\$3,697</u>	 <u>\$51,850</u>	 <u>\$2,495,729</u>	 <u>\$2,133,913</u>	 <u>\$959,325</u>	 <u>\$629,898</u>
 \$24,125	 \$3,730	 \$46,920	 \$ 0	 \$ 0	 \$ 0	 \$ 0
0	0	0	234,524	5,691	443,517	170,212
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>\$24,125</u>	 <u>\$3,730</u>	 <u>\$46,920</u>	 <u>\$234,524</u>	 <u>\$ 5,691</u>	 <u>\$443,517</u>	 <u>\$170,212</u>
 \$ 0	 \$ 0	 \$ 0	 \$ 0	 \$ 0	 \$ 2,077	 \$ 0
<u>15</u>	<u>0</u>	<u>0</u>	<u>(50)</u>	<u>0</u>	<u>(27,362)</u>	<u>(440)</u>
 \$ (15)	 \$ 0	 \$ 0	 \$ 50	 \$ 0	 \$ 25,285	 \$ 440
 <u>\$ (3,135)</u>	 <u>\$ (33)</u>	 <u>\$ 4,930</u>	 <u>\$2,261,255</u>	 <u>\$2,128,222</u>	 <u>\$541,093</u>	 <u>\$460,126</u>

This statement identifies, by source of revenue, the receipts collected during the fiscal years ended June 30, 1980, and June 30, 1979. All funds, except the General Fund, receive revenue collected by the Division from outside sources. Disbursements cannot be made until the Division collects and deposits these receipts in the proper fund within the Treasury System.

**COMPARATIVE STATEMENT OF SOURCES OF REVENUE  
FISCAL YEARS ENDED JUNE 30, 1980 AND JUNE 30, 1979**

	<u>1980</u>		<u>1979</u>
Licenses and Permits:			
Engineer Licenses	\$ 31,754		\$ 26,408
Service Fees:			
Plan I Assessments	\$ 250,219		\$ 211,622
Plan II Assessments	732,905		688,169
Crime Victims Assessments	41,209		3,329
Uninsured Employers Assessments	84,991		15,509
Total Assessments	<u>\$1,109,324</u>		<u>\$ 918,629</u>
Less Transfers to:			
Workers' Compensation Judge	(138,940)		(129,479)
Commissioner of Labor	<u>(3,806)</u>	966,578	<u>(3,414)</u> 785,736
Investment Earnings:			
U.S. Treasury Obligations	\$ 5,487		\$ 10,275
Industrial Bonds	196,232		186,976
Railroad Equipment Trusts	24,200		19,900
Public Utility Securities	90,903		72,445
Federal Agencies	56,041		0
Annual Modified Income	(12,162)		(853)
Short Term Investment Pool	<u>23,593</u>	384,294	<u>17,890</u> 306,633
Fines:			
Motor Vehicle	\$ 162,799		\$ 150,980
Civil Penalties	<u>531,515</u>	694,314	<u>386,238</u> 537,218
Firemen's Relief Contributions:		243,419	232,992
Income Collections & Transfers:			
State Compensation Insurance Fund	\$2,318,666		\$2,398,018
Less Transfers to:			
Workers' Compensation Judge	(16,822)		(37,591)
Commissioner of Labor	<u>(10,035)</u>	2,291,809	<u>(9,093)</u> 2,351,334
Fatality Assessments		48,000	34,000
Recovery		118,539	8,163
Bad Debts Recovered		38,860	6,737
Other		127	111
Grants:			
Federal Department of Labor:			
On-Site Consultation	\$ 57,252		\$ 24,793
Survey Program	51,319		40,390
Mining Education	13,000		19,043
CETA-PSE	<u>3,697</u>	125,268	<u>0</u> 84,226
<b>TOTAL REVENUES</b>	<u><u>\$4,942,962</u></u>		<u><u>\$4,373,558</u></u>

This statement provides the detail expenditure activity and the funding sources for each of the Division's four programs for the period ended June 30, 1980.

PROGRAM COST STATEMENT  
FISCAL YEAR ENDED JUNE 30, 1980

<u>COSTS</u>	<u>Adminis- tration Program</u>	<u>State Fund Program</u>	<u>Compli- ance Program</u>	<u>Safety &amp; Health Program</u>
Personal Services:				
Salaries	\$ 831,392	\$ 561,645	\$ 227,085	\$376,272
Other Compensation	421	0	0	841
Employee Benefits	<u>150,430</u>	<u>107,147</u>	<u>44,221</u>	<u>69,800</u>
Sub-Total	<u>\$ 982,243</u>	<u>\$ 668,792</u>	<u>\$ 271,306</u>	<u>\$446,913</u>
Operating Expenses:				
Contracted Services	\$ 160,449	\$ 236,490	\$ 41,069	\$ 9,401
Supplies & Materials	14,161	27,756	6,399	21,316
Communications	24,957	65,961	19,786	10,981
Travel	104,914	36,314	809	103,824
Rent	47,427	38,286	18,417	31,311
Utilities	3,730	3,722	2,526	678
Repair & Maintenance	14,075	5,627	2,414	7,350
Other Expenses	<u>5,264</u>	<u>3,609</u>	<u>368</u>	<u>1,209</u>
Sub-Total	<u>\$ 374,977</u>	<u>\$ 417,765</u>	<u>\$ 91,788</u>	<u>\$186,070</u>
Equipment	<u>\$ 28,282</u>	<u>\$ 29,966</u>	<u>\$ 5,783</u>	<u>\$ 37,910</u>
Benefits	<u>\$ 100,709</u>	<u>\$ 0</u>	<u>\$ 775,894</u>	<u>\$ 0</u>
TOTAL PROGRAM COSTS	<u>\$1,486,211</u>	<u>\$1,116,523</u>	<u>\$1,144,771</u>	<u>\$670,893</u>
<u>SUMMARY OF FUNDING</u>				
General Fund	\$ 100,709	\$ 0	\$ 785,546	\$ 0
Earmarked Revenue Fund	1,334,852	1,116,523	359,225	646,769
Federal & Private Revenue Fund	<u>50,650</u>	<u>0</u>	<u>0</u>	<u>24,124</u>
TOTAL FUNDING	<u>\$1,486,211</u>	<u>\$1,116,523</u>	<u>\$1,144,771</u>	<u>\$670,893</u>

### SECTION III STATE COMPENSATION INSURANCE FUND

Over the past several years, the Division has made an effort to stabilize rates charged employers insured by the State Compensation Insurance Fund. Although rates were reduced approximately 3 per cent in fiscal year 1980, earned premium increased in excess of \$4 million, which indicates a substantially larger payroll base in 1980.

Investment income in fiscal year 1980 grew by \$251,664 to nearly \$5 million. The Fund's bond portfolio yielded 8.99 percent compared to 8.71 percent for fiscal year 1979. This was the second highest yield obtained by the Board of Investments on any of the five largest funds under its management.

Substantial growth in claims expense was also experienced. Claims expense rose from \$16.8 million last year to \$20.9 million in fiscal year 1980, an increase of 24.4 percent, while operational expenses decreased by 6 percent, from \$2,554,723 to \$2,417,362. Claims processed and accidents reported to the State Fund increased by 10 percent.

As in past years, the Division employed an independent actuary to review the financial and actuarial soundness of the State Compensation Insurance Fund. The report may be found on page 18 of this section. The actuary was also employed to review payroll and accident experience, recommend rate changes, and advise the Division on claim reserving policies.



STATE COMPENSATION INSURANCE FUND  
BALANCE SHEET  
June 30, 1980

ASSETS

Cash in Treasury		\$	426,727
Premium Due and Billed			35,318
Unbilled Premium Receivable			6,556,754
Deferred Costs on Bond Exchanges			828,308
Property Held in Trust			1,876,673
Investments:			
Mortgages	\$	346,969	
Federal Securities		5,381,000	
Corporate Bonds		54,961,134	
Commercial Paper		<u>500,000</u>	
Gross Investments			\$61,189,103
Plus: Unamortized Premiums	\$	43,888	
Interest Purchased		<u>15,635</u>	59,523
Less: Unaccumulated Bond Discounts			<u>(1,273,798)</u>
Net Investments			<u>59,974,828</u>
TOTAL ASSETS			<u>\$69,698,608</u>

LIABILITIES, RESERVES AND FUND BALANCE

LIABILITIES

Dividends Payable Prior Year	\$	112,517	
Dividends Payable Current Year		3,857,527	
Advance Deposits		5,385,657	
Advance Premium Collections		3,084,363	
Deferred Revenue on Bond Exchanges		44,641	
Accountability for Stale Dated Warrants		<u>8,503</u>	\$12,493,208

CLAIM RESERVES

Compensation Benefits	\$38,912,346	
Medical Benefits	7,767,568	
Medical Only Benefits	<u>937,000</u>	47,616,914

FUND BALANCE

Restricted:		
Provision for Claim Fluctuation	\$	2,492,489
Provision for Medical and Hospital Cost Fluctuation		600,000
Provision for Rate Stabilization		797,831
Provision for Catastrophes		2,800,000
Provision for Changes in Security Valuation		2,145,418
Unrestricted:		
Unallocated Premium Due to Change in		
Accounting Methods	<u>752,748</u>	<u>9,588,486</u>

TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$69,698,608</u>
--	--	---------------------

STATE COMPENSATION INSURANCE FUND  
STATEMENT OF OPERATIONS AND CHANGES IN RESERVES  
FOR FISCAL YEAR ENDED JUNE 30, 1980

INCOME

Net Premium		\$26,453,202
Current Year Unbilled Premium	\$ 6,556,754	
Less: Prior Year Unbilled Premium		
Received in Current Year	<u>(6,107,325)</u>	<u>449,429</u>
Total Earned Premium		\$26,902,631
Interest Earnings on Investments		4,966,315
Other Income		<u>141,734</u>
Total Current Year's Income		\$32,010,680
Prior Year's Adjustments, Net		<u>21,404</u>
Total Income		\$32,032,084

EXPENSES

Claims Expenses:		
Compensation Benefits	\$14,592,039	
Medical Benefits	<u>6,355,624</u>	
Total Claims Expenses	<u>\$20,947,663</u>	
Other Expenses:		
Administrative Assessment	\$ 2,318,666	
Bad Debts	98,696	
Rehabilitation Assessment	<u>120,738</u>	
Total Other Expenses	<u>\$2,538,100</u>	
Total Expenses		<u>\$23,485,763</u>

RESULTS OF OPERATIONS BEFORE CHANGES IN RESERVES \$ 8,546,321

Less: Changes in Claim Reserves:		
Compensation Benefits	\$ 6,027,034	
Medical Benefits	213,212	
Medical Only Benefits	<u>(13,000)</u>	<u>6,227,246</u>

RESULTS OF OPERATIONS AFTER CHANGES IN RESERVES \$ 2,319,075

Changes to Fund Balance:

Deductions:		
Provisions for Changes in Claim Fluctuation	\$ 667,000	
Provisions for Changes in Rate Stabilization	333,000	
Provisions for Changes in Security Valuation	38,452	
Provisions for Permanent Total Lifetime Benefits	100,000	
Unallocated Premium Due to Change in Accounting Methods	<u>400,000</u>	
Total Deductions		<u>\$ 1,538,452</u>

AVAILABLE FOR FISCAL YEAR 1980 DIVIDENDS \$ 3,857,527

STATE COMPENSATION INSURANCE FUND  
STATEMENT OF CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 1980

Fund Balance, Beginning of Year (as restated)	\$11,126,938
Increases in Fund Balance:	
Current Year's Results of Operations	<u>2,319,075</u>
Fund Balance Before Dividends Payable	\$13,446,013
Dividends payable for Fiscal Year 1980	<u>3,857,527</u>
Fund Balance, End of Year	<u>\$ 9,588,486</u>

The preceding statements reflect the financial activity and condition of the State Fund for the fiscal year ended June 30, 1980.

The balance sheet shows the financial status of the fund as of June 30, 1980. The changes in claim reserves and fund balance accounts were either calculated or reviewed by an independent actuary. Based on the actuary's recommendation, the previously used reserve accounts for "unreported claims," "reopened claims," and "claims expense" are not shown on the balance sheet as separate items, but are included in the other "claim reserve" accounts shown on the balance sheet.

The statement of operations and changes in reserves shows the fund's financial activity during the year.

COATES, HERFURTH & ENGLAND, INC.

ACTUARIES AND CONSULTANTS  
320 CALIFORNIA STREET, SUITE 501  
SAN FRANCISCO 94104  
TELEPHONE (415) 433-4440  
October 24, 1980

Workers' Compensation Division  
Department of Labor and Industry  
State of Montana  
815 Front Street  
Helena, Montana 59601

Gentlemen:

We have examined the methods and procedures utilized by the Workers' Compensation Division of the Department of Labor and Industry of the State of Montana in the determination of its liabilities for compensation, hospital, medical and other benefits as of the close of its fiscal year June 30, 1980, under Compensation Plan #3, as set forth in the Workers' Compensation Act. Our examination included a determination of the appropriateness of the underlying methods and procedures, such review of the basic records as we considered necessary in the circumstances and an analysis of the results so obtained.

The resulting liabilities for benefits to be paid, so determined, may be summarized as follows:

Claim liabilities as reserves for:

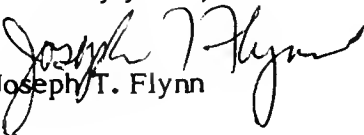
Compensation benefits	\$ 38,912,346
Medical benefits	7,767,568
Medical only benefits	<u>937,000</u>
Total	\$ 47,616,914

In addition to the above amounts for claim liabilities and reserves, the Fund is maintaining a claim fluctuation reserve of \$2,492,489 and a Rate Stabilization reserve of \$797,831, together with combined reserves for catastrophe and medical cost fluctuations of \$3,400,000. A security valuation reserve of \$2,145,418 is also maintained.

In our opinion, the above claim liabilities are based upon the benefits provided under the Workers' Compensation Act of the State of Montana. Further, in our opinion, on the basis of the information and procedures referred to above, and upon our assumption that the procedures of the Division are adequate to properly establish and maintain records required for this purpose, such liabilities in the aggregate are reasonable and appropriate as of that date, and that the Fund is in a sound actuarial and financial position.

By following this procedure each year and by reviewing and adjusting the rates each year to reflect changing benefits and experience, in our opinion, the Fund can continue to be maintained on a sound actuarial and financial basis.

Sincerely yours,

  
Joseph T. Flynn

JTF/wpc

NEWLAND, HORN, CRIPPEN & PECK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

53 WEST BROADWAY

BUTTE, MONTANA 59701

WILLIAM B. HORN  
ROBERT L. CRIPPEN  
DENNIS W. PECK

RONALD W. HANNI  
JOHN F. BURNS

Division of Workers' Compensation  
State of Montana:

We have examined the balance sheet of the State Compensation Insurance Fund as of June 30, 1980 and the related statements of operations and changes in fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the State of Montana Board of Investments which manages investments for the State Compensation Insurance Fund with a net carrying value of \$59,974,828. These statements were examined by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts of investments and investment income, is based solely upon the report of the other auditors.

In our opinion, based upon our examination and the report of the other auditors, the aforementioned financial statements present fairly the financial position of the State Compensation Insurance Fund at June 30, 1980 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Newland, Horn, Crippen & Peck, P.C.*

NEWLAND, HORN, CRIPPEN & PECK, P.C.  
Certified Public Accountants

October 15, 1980

STATE COMPENSATION INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1980

1. Summary of Significant Accounting Policies

(a) Organization

The State Compensation Insurance Fund is a state operated insurance program administered by the Division of Workers' Compensation. The Fund is carried as an agency account in the Statewide Budgeting and Accounting System.

(b) Accounts Receivable

The Fund uses the direct write-off method for expensing uncollectible accounts receivable.

(c) Fund Balance

The Fund balance is allocated between restricted and unrestricted balances. The unrestricted balance is available for paying dividends to enrolled employers.

(d) Investments

Investments, except mortgages, are presented in the balance sheet at original cost adjusted for discount and premium amortization where applicable. Mortgages are presented in the balance sheet at par value. Premiums and discounts are amortized using the straight-line method over the life of securities. An average life of eight years is used for amortization of mortgage discounts.

(e) Bond Exchanges

Bond exchanges involve trading one security for another security having the same par value for the purpose of enhancing portfolio content and/or yield. The Board of Investments defers gains and losses resulting from bond exchanges and amortizes such gains and losses over the shorter of either the remaining life of the bonds sold or the bonds purchased for replacement. As shown in the accompanying financial statements, at June 30, 1980, the accumulated unamortized deferred costs on bond exchanges aggregated \$828,308, and deferred revenue on bond exchanges amounted to \$44,641.

(f) Reserves

The Fund employs an independent actuary to determine the adequacy of rates, reserves and unrestricted fund balance.

2. Investments

Following is a summary of investments managed by the Board of Investments at June 30, 1980.

	<u>Carrying Value</u>	<u>Market Value</u>
Mortgages	\$ 346,969	\$ 346,969
Federal securities	5,381,000	4,477,310
Corporate bonds	54,961,134	45,456,053
Repurchase agreements	<u>500,000</u>	<u>500,000</u>
	<u>\$61,189,103</u>	<u>\$50,780,332</u>

## SECTION IV UNINSURED EMPLOYERS' FUND

In 1977, Montana Legislature enacted the provisions of the Uninsured Employers' Fund. The purpose of this Fund is to pay an injured worker the same benefits the employee would have received had the employer been properly enrolled with a workers' compensation insurer. The same Act provided that the primary revenue source for funding the Fund would be generated through fines and penalties assessed on uninsured employers in an amount of either double the premium the employer would have paid had he been properly enrolled with the State Compensation Insurance Fund or a minimum of \$200, whichever would be greater. The Act allows the Division to go back to July 1, 1977, in making a determination of the amount of fine and penalty due. The Act also provides that an uninsured employer is liable for all wage loss and medical benefits paid for the injured employee. However, it limits the employer's liability to \$30,000 per individual.

The benefit provisions of the Act are the same as those applied by the Workers' Compensation Act. The Division has authority to collect the amounts due through suit if necessary and, also, to compromise amounts due. In cases where the Division discovers an uninsured employer, the statute provides that it may order the employer to cease operations until the firm is properly covered by workers' compensation insurance. The employer who does not comply with this provision is guilty of a misdemeanor.

An injured employee has the option to elect to receive benefits from the Uninsured Employers' Fund or to pursue a damage action against the employer. Benefits paid from the Fund are not granted as an entitlement to injured workers and may be paid only in accordance with sums accumulated in the Fund. If the Division determines, at any time, that sums in the Fund are not adequate to fully pay all claims, the Division may take appropriate measures to proportionately reduce benefits to all claimants. The reductions do not entitle the claimants to retroactive reimbursements once the Fund improves its financial stability. Payouts for benefits did not begin until January 1, 1979, as the enabling legislation limited the benefit payouts to that date or a date at which the Fund reached \$150,000.

### STATISTICAL ACTIVITY

	<u>F/Y 1979</u>	<u>F/Y 1980</u>
Number of Compensation Claims Paid	46	116
Number of Investigations Made	477	730
Number of Audits Performed	239	384
Number of Employers Fined	278	432
Number of Accounts Referred for Collection	87	142
Amount of Billed Fines & Assessments Collected	\$140,261	\$147,367

### FINANCIAL ACTIVITY

	<u>F/Y 1979</u>		<u>F/Y 1980</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue Sources:				
Fines & Penalties Billed	\$286,293	83.4%	\$425,326	66.4%
Recovery of Benefits Paid	8,163	2.4	116,225	18.1
Fatality Assessments	32,000	9.3	46,000	7.2
Bad Debts Recovered	6,737	2.0	38,790	6.0
Interest Earnings	10,156	2.9	14,553	2.3
TOTAL REVENUE	<u>\$343,349</u>	<u>100.0%</u>	<u>\$640,894</u>	<u>100.0%</u>
Program Costs:				
Benefits Paid	\$ 5,654		\$117,313	
Amount Referred for Collection	114,735		241,213	
Administrative Expense	21,623		84,991	
TOTAL COSTS	<u>\$142,012</u>		<u>\$443,517</u>	

## SECTION V 'CRIME VICTIMS' COMPENSATION

The Crime Victims' Compensation Act created by the Montana Legislature became effective January 1, 1978. It was the intent of this legislation to provide a method of compensation and assisting innocent victims who suffered bodily injury or death as a result of a criminal act. The Act creates a fund which receives six percent (6%) of the fines assessed and bails forfeited on all offenses involving a violation of the Montana traffic codes relating to the use or operation of motor vehicles. Offenses relating to parking violations are specifically exempted.

Compensation benefits are awarded both for wage loss and medical services. The weekly wage loss benefit awarded is set at two-thirds of the wages received at the time of the occurrence subject to a maximum of \$125 per week. The claimant must suffer a wage loss for one week before compensation is due, and then compensation is paid from the date wage loss began. Medical providers are reimbursed for reasonable services of a physician or surgeon, hospital care, and medicine. Additionally, funeral and burial expenses of the victim, not exceeding \$1,100, are paid if all other collateral sources have not covered these costs. Awards are limited by collateral sources, which include, but are not limited to, benefits readily available to the victim from the offender, the United States government, social security, medicare or medicaid, workers' compensation, wage continuation programs, or proceeds of an insurance contract.

To be eligible for benefits the victim must file a claim within one year from the date of the criminally injurious conduct, may not be an offender or accomplice of the offender, and must notify law enforcement of the occurrence within 72 hours. The victim must also cooperate fully with all law enforcement agencies and prosecuting attorneys in the apprehension and prosecution of the offender. Benefits may be denied or proportionately reduced if the victim contributed to the infliction of the injury. Compensation payable to the victim and all of the victim's dependents in case of death is limited to an aggregate of \$25,000. Awards of compensation benefits may also be made to victims who were employable but not employed at the time of the incident. Wage loss benefits in these cases are limited to \$100 per week or an aggregate of \$20,000.

### STATISTICAL ACTIVITY

	<u>F/Y 1979</u>	<u>F/Y 1980</u>
<u>Claim Information</u>		
Number of Claims Received	<u>151</u>	<u>165</u>
Source of Knowledge:		
Attorney	7	9
Law Enforcement	45	49
Medical Profession	16	19
Relative or Friend	19	15
Victim	51	55
Other	<u>13</u>	<u>18</u>
	<u>151</u>	<u>165</u>
Claim Disposition:		
Denied Claims	<u>21</u>	<u>18</u>
Accepted Claims		
Open Files	80	85
Closed Files	<u>50</u>	<u>62</u>
	<u>130</u>	<u>147</u>



<u>Type of Crime</u>	<u>F/Y 1979</u>	<u>F/Y 1980</u>
Primary:*		
Aggravated Assault	58	50
Armed Robbery	1	2
Assault	30	32
Attempted Homicide	1	2
Homicide	14	17
Negligent Assault	1	1
Rape	5	7
Sexual Assault	0	2
Strong Armed Robbery	7	6
Theft	<u>1</u>	<u>1</u>
	<u>118</u>	<u>120</u>
Secondary:**		
Attempted Homicide	1	0
Auto Theft	1	2
Breaking & Entering	7	5
Burglary	0	2
Child Abuse	0	1
Escape	0	1
Homicide	0	1
Kidnap	1	3
Prostitution	0	2
Rape	2	3
Riot	0	4
Strong Armed Robbery	0	1
Theft	0	1
Unlawful Restraint	<u>0</u>	<u>1</u>
	<u>12</u>	<u>27</u>
TOTAL TYPE	<u>130</u>	<u>147</u>

#### Victim Profile

Sex:		
Male	85	79
Female	<u>33</u>	<u>41</u>
	<u>118</u>	<u>120</u>
Average Age:		
Male	31.6	28.5
Female	28.2	32.0
Age Range:		
Male	3-72	3-69
Female	13-86	13-86
Employment Status:		
Employed	77	67
Unemployed	31	33
Student	6	12
Retired	4	6
Child	<u>0</u>	<u>2</u>
	<u>118</u>	<u>120</u>

\*Primary crime refers to the incident which caused the injury.

\*\*Secondary crime refers to incidences of crime leading up to the injury.

# FINANCIAL ACTIVITY

	<u>F/Y 1979</u>		<u>F/Y 1980</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue Sources:				
Justice of Peace Fines	\$ 99,944	40%	\$106,239	36%
County Motor Vehicle Fines	28,275	11	36,566	12
City Motor Vehicle Fines	122,706	49	126,233	43
Recoveries	0	0	2,334	1
Interest Earnings	0	0	22,339	8
TOTAL REVENUE	<u>\$250,925</u>	<u>100%</u>	<u>\$293,711</u>	<u>100%</u>
Program Costs:				
Benefits Paid	\$ 86,320	74%	\$129,003	76%
Administrative Expense	30,248	26	41,209	24
TOTAL COSTS	<u>\$116,568</u>	<u>100%</u>	<u>\$170,212</u>	<u>100%</u>

## SECTION VI WORK INJURY REPORTS

The Division, through its Centralized Services Bureau, Data Processing and Statistical Unit, collects a variety of statistics concerning the nature and cause of industrial work injuries. Accident data is coded from reports submitted by employers and employees, using the standardized coding system adopted by the Occupational Safety and Health Administration. The following tables and graphs present this information on an annual basis. As of September 29, 1980, 34,736 accidents have been reported to the Division as occurring during the fiscal year ended June 30, 1980. These tables show the number of reported accidents, the cause of accidents by major industry, type of disability, nature of injury, part of body affected, accident type, source of injury, age and sex. The first table shows the total injuries reported over the past ten years. The following pages give a detailed analysis of the totals for the current fiscal year. The last page in this section shows a summary of the data collected and compiled by the Statistical Unit as a cooperating state agency under a federal grant with the Bureau of Labor Statistics. Additional information from past years can be compiled as needed on a request basis, should employers have a need for such information.

A review of the tables presented in this section in relation to individual firms' accident experience can be of value in developing appropriate safety programs or improving existing programs. Currently, the Division participates with the U.S. Department of Labor in a safety consultation program. Division personnel perform on-site consultation inspections to assist employers in understanding the requirements of applicable safety laws, identifying health and safety hazards, and eliminating or controlling these hazards successfully. Upon request, safety personnel perform these inspections at no charge to the employer.

# DEGREE INJURIES AFFECTED THE EMPLOYEE'S ABILITY TO RETURN TO THE NEXT SCHEDULED WORK SHIFT

With the implementation of the Division's Management Information System in 1976, a new coding format was instituted to better identify the effect an injury has on an employee's work attendance. Prior to fiscal year 1977, the accident was coded either as disabling, which meant the injured party was unable to return to the next scheduled work shift, or nondisabling, which meant that no work time was lost beyond the day of the accident. All accident information coded was from the initial report with no further adjustment effort.

The new reporting format allows the Division more flexibility in identifying lost time injuries. "Lost Time Injuries" refers to those cases where the employee had a medical cost associated with the accident and failed to report to the next scheduled work shift. "No Lost Time Injuries" refers to cases where there was a medical cost involved but the employee attended the next work shift. The minor injuries column refers to cases where a minimal medical cost was initially reported and the employee lost no work time, and therefore considered a minor injury under the OSHA standards. Cases where a firm determination could not be made as to medical cost or lost time were classified as "Unknown." The reader should be cautioned against attempts to make valid comparisons between the two reporting formats.

<u>Year</u>	<u>Total Injuries</u>	<u>Dis-abling</u>	<u>Percent of Total</u>	<u>Nondis-abling</u>	<u>Percent of Total</u>	<u>Undeter-mined</u>	<u>Percent of Total</u>
1970-71	21,986	5,832	26.5	14,872	67.7	1,282	5.8
1971-72	22,439	6,180	27.5	15,005	66.9	1,254	5.6
1972-73	23,821	6,927	29.1	15,938	66.9	956	4.0
1973-74	27,097	8,394	31.0	17,733	65.4	970	3.6
1974-75	27,120	7,875	29.0	18,312	67.5	933	3.5
1975-76	29,415	8,589	29.2	19,591	66.6	1,235	4.2

<u>Year</u>	<u>Total Injuries</u>	<u>Lost Time Injuries</u>	<u>No Lost Time Injuries</u>	<u>Minor Injuries Not Recordable by OSHA Standards</u>	<u>Fatalities</u>	<u>Unknown</u>
1976-77	31,734	9,760	2,263	15,271	46	4,394
1977-78	32,060	9,668	2,172	16,965	50	3,205
1978-79	34,295	10,185	2,016	17,923	38	4,133
1979-80	34,736	10,306	2,297	18,258	37	3,838

## CAUSE OF FATALITIES WITHIN MAJOR INDUSTRY

The table below provides an overview of work related fatalities in Montana by compensation plan during fiscal year 1980. Montana industries reported 38 work related fatalities last year, compared with 37 this year.

<u>INDUSTRY</u>	<u>PLAN I</u>	<u>PLAN II</u>	<u>PLAN III</u>	<u>TOTAL</u>
<u>AGRICULTURE</u>				
Crushed by combine .....	0	1	0	1
Truck accident .....	0	0	1	1
Crushed by truck .....	0	0	1	1
Fall from horse .....	0	0	1	1
<u>MINING</u>				
Crushed in oil well .....	0	1	0	1
Explosion — burns .....	0	1	0	1
Mine cave-in .....	0	0	1	1
Caught under truck .....	0	0	1	1
Crushed between post and box car .....	0	0	1	1
Automobile accident .....	0	1	1	2
<u>CONSTRUCTION</u>				
Automobile accident .....	0	1	0	1
Tank explosion .....	0	2	0	2
Caught in crane .....	0	1	0	1
Fall from scaffold .....	0	0	1	1
Electrocution .....	0	0	1	1
Inhalation (methane gas) .....	0	0	1	1
Struck by truck .....	0	0	1	1
<u>MANUFACTURING</u>				
Struck by flying bar .....	1	0	0	1
Automobile accident .....	0	1	0	1
Struck by falling tree .....	0	1	1	2
<u>TRANSPORTATION</u>				
Truck accident .....	0	1	0	1
Airplane crash .....	2	0	0	2
Gas meter explosion .....	1	0	0	1
Struck by tire split rim .....	0	0	1	1
<u>TRADE</u>				
Automobile accident .....	0	2	0	2
Run over by grader .....	0	1	0	1
Truck accident .....	0	3	1	4
<u>PUBLIC ADMINISTRATION</u>				
Automobile accident .....	0	0	1	1
Carbon monoxide poisoning .....	0	0	1	1
<b>TOTALS.....</b>	<u>4</u>	<u>17</u>	<u>16</u>	<u>37</u>

## NATURE AND OCCURRENCE OF WORK INJURIES IN MONTANA

The following narratives and tables reflect data on the nature and occurrence of work injuries as reported to and compiled by the Division. The Division classifies and codes reported accidents in accordance with uniform federal guidelines. As of September 29, 1980, employers and insurance companies reported a total of 34,736 industrial accidents occurring in the fiscal year ended June 30, 1980.

### Nature of Injury

The nature of injury identifies the injury in terms of its principal physical characteristics.

<u>Description</u>	<u>Number</u>	<u>Percent</u>
Burns .....	1,778	5.1
Open wounds .....	11,319	32.6
Strains .....	10,927	31.5
Fractures .....	2,581	7.4
Diseases .....	243	.7
Bruises .....	4,613	13.3
Multiple .....	707	2.0
Other .....	398	1.1
Not classified .....	<u>2,170</u>	<u>6.3</u>
TOTAL .....	<u>34,736</u>	<u>100.0</u>

### Part of Body

The part of body identifies the part of the injured person's body directly affected by injury.

<u>Description</u>	<u>Number</u>	<u>Percent</u>
Head, face and neck .....	1,872	5.4
Eyes .....	4,177	12.0
Body systems .....	516	1.5
Trunk .....	3,206	9.2
Back and spine .....	6,272	18.1
Arms and wrists .....	2,990	8.6
Hands and fingers .....	8,002	23.0
Upper extremities .....	240	.7
Legs and ankles .....	4,323	12.4
Feet and toes .....	1,868	5.4
Lower extremities .....	58	.2
Body multiple .....	898	2.6
Not classified .....	<u>314</u>	<u>.9</u>
TOTAL .....	<u>34,736</u>	<u>100.0</u>

### Accident Type

The accident type identifies the event which directly resulted in the injury.

<u>Description</u>	<u>Number</u>	<u>Percent</u>
Struck by object .....	13,551	39.0
Caught in, on, or between .....	2,054	5.9
Slips and falls .....	4,608	13.3
Motor vehicle .....	664	1.9
Strain or overexertion .....	7,660	22.0
Temperature extremes .....	894	2.6
Electrical current .....	114	.3
Inhalation .....	1,242	3.6
Rubbed or abraded .....	2,812	8.1
Combinations .....	141	.4
Not classified .....	996	2.9
TOTAL .....	<u>34,736</u>	<u>100.0</u>

### Source of Injury

The source of injury identifies the object, substance, exposure, or bodily motion which directly produced or inflicted the injury.

<u>Description</u>	<u>Number</u>	<u>Percent</u>
Animals .....	1,642	4.7
Atmosphere .....	76	.2
Body motion .....	2,043	5.9
Boilers .....	163	.5
Boxes and barrels .....	2,544	7.3
Buildings .....	817	2.4
Chemicals .....	1,123	3.2
Construction materials .....	1	.0
Conveyors .....	211	.6
Dirt masses .....	399	1.1
Electrical apparatus .....	403	1.2
Flame and smoke .....	440	1.3
Food .....	384	1.1
Furniture .....	841	2.4
Glass .....	614	1.8
Hand tools .....	3,854	11.1
Hoisting apparatus .....	601	1.7
Ladders .....	97	.3
Machines .....	1,167	3.3
Mechanical transmission .....	415	1.2
Metal items .....	4,724	13.6
Particles .....	1,449	4.2
Textile .....	330	1.0
Vehicles .....	2,519	7.2
Wood items .....	2,577	7.4
Working surfaces .....	3,818	11.0
Miscellaneous .....	307	.9
Not classified .....	1,177	3.4
TOTAL .....	<u>34,736</u>	<u>100.0</u>

## Industry Group

These are the standard industrial classifications and provide an overview of experience by industry.

<u>Description</u>	<u>Number</u>	<u>Percent</u>
Agriculture .....	2,067	6.0
Mining .....	1,570	4.5
Construction .....	5,324	15.3
Manufacturing .....	7,533	21.7
Transportation .....	1,852	5.4
Wholesale trade .....	2,723	7.8
Retail trade .....	5,077	14.6
Finance .....	253	.7
Services .....	6,188	17.8
Public administration .....	2,009	5.8
Not classified .....	140	.4
TOTAL .....	<u>34,736</u>	<u>100.0</u>

## Work Injuries by Age and Sex

This table compares the work injuries for fiscal year 1980 by age group and sex. The median age of injured male workers was in the 25-29 years age group, as compared to the 30-34 years age group for females.

<u>Age Group</u>	<u>Male</u>	<u>Female</u>	<u>Both</u>
Below 15 .....	23	10	33
15 - 19 .....	2,643	729	3,372
20 - 24 .....	6,177	1,385	7,562
25 - 29 .....	5,337	1,096	6,433
30 - 34 .....	3,517	674	4,191
35 - 39 .....	2,481	663	3,144
40 - 44 .....	1,757	573	2,330
45 - 49 .....	1,348	447	1,795
50 - 54 .....	1,267	473	1,740
55 - 59 .....	975	345	1,320
60 - 64 .....	689	205	894
65 - 69 .....	158	44	202
70 - 74 .....	42	16	58
Over 75 .....	35	4	39
Not classified .....	<u>1,387</u>	<u>236</u>	<u>1,623</u>
TOTAL .....	<u>27,836</u>	<u>6,900</u>	<u>34,736</u>

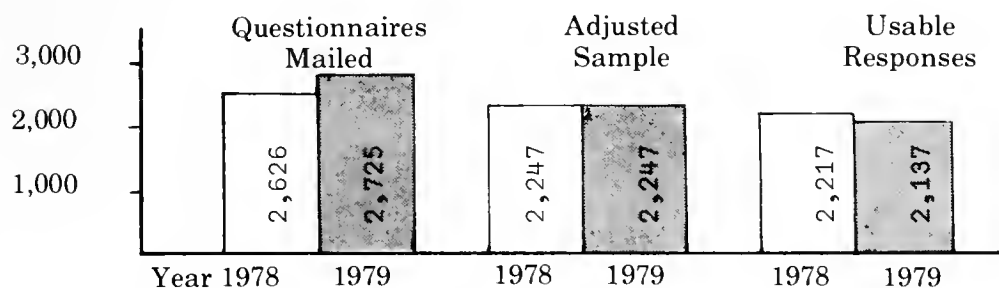
## OCCUPATIONAL SAFETY AND HEALTH ACT SURVEY

The annual Occupational Safety and Health Survey is conducted by the Statistics Section of the Division in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor. Reported data are based on employer maintained records. The results of the survey are used in measuring and evaluating the effectiveness of the Occupational Safety and Health Act in reducing work-related injuries and illnesses. Survey results are also used as a tool to direct education and inspection activity to industries which have the greatest need for safety improvement programs.

The survey, conducted on a calendar year basis, includes employers of all private industries except self-employed individuals and agricultural firms employing ten or less employees. Federal, state and local government is not included. The data for certain mining activities, railroads, and federal reserve banks was supplied directly by the Bureau of Labor Statistics.



Questionnaires were mailed to 2,725 employers for the 1979 survey and approximately 600 questionnaires are found to be unusable. The overall usable response rate for 1979 was 95.1 percent. The response rate for 1978 was 98.7 percent. The table below compares other mailing statistics with those of 1978.



#### 1978 AND 1979 INJURY AND ILLNESS INCIDENCE RATES

Industry	Total Cases		Lost Workday Cases		Lost Workdays		No Lost Workday Cases	
	1978	1979	1978	1979	1978	1979	1978	1979
All Industries*	10.0	10.1	4.0	4.0	60.2	63.5	6.0	6.1
Agriculture, Forestry and Fishing**	9.8	11.8	3.7	4.7	78.2	97.3	6.0	7.1
Mining	11.4	10.8	5.2	5.5	117.4	111.9	5.9	5.3
Construction	16.3	17.6	6.3	6.1	109.2	115.8	9.9	11.3
Manufacturing	20.5	21.8	10.4	10.0	152.0	173.7	10.2	11.8
Transportation, Communications, Electric, Gas & Sanitary Services	9.1	9.6	5.2	5.1	65.3	62.2	4.0	4.5
Wholesale and Retail Trade	8.0	7.9	2.1	2.2	31.8	33.7	5.9	5.7
Wholesale Trade	10.4	10.4	3.1	3.7	56.1	66.0	7.2	6.7
Retail Trade	7.2	7.0	1.7	1.6	22.9	21.2	5.4	5.4
Finance, Insurance, and Real Estate	2.0	1.7	0.6	0.5	4.6	7.4	1.4	1.3
Services	6.3	5.8	2.0	2.1	28.2	27.9	4.3	3.8

\*Private sector

\*\*Does not include agriculture with ten or less employees

Incidence rates were calculated as follows:  $N/EH \times 200,000$

N = number of injuries and illnesses or lost workdays

EH = total hours worked by all employees during the calendar year

200,000 = base for 100 full-time equivalent workers (50 weeks X 40 hours)







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